

BUREAU OF THE BUDGET
Washington 25, D. C.

55189

27 January 1951

My dear General Smith:

During the last several months the Bureau of the Budget has conducted an extensive survey into the problem of meeting the foreign economic data requirements of the United States through the Foreign Service Reporting system. As you know, the survey was planned and carried on after consultation with the Central Intelligence Agency and with the agreement that the collected data would be made available to the Central Intelligence Agency for use in conjunction with its foreign data requirements project. I believe the enclosed report entitled "Survey of Foreign Economic Reporting" will meet your needs in this regard. However, additional data can be made available to your staff if needed.

For convenience in reading, we have prepared a two-page summary of findings, followed by a concise report upon the basic problems of foreign economic reporting. These are to be found on pages 1-16 of the enclosed document; following the basic report are several appendices containing more detailed background material and recommendations.

I am also transmitting a draft of an Executive order which would implement one of the principal recommendations of the report by prescribing regulations to govern the provision of data by the State Department through the Foreign Service for Federal departments and agencies. Such regulations are authorized by the Foreign Service Act of 1946 but have not heretofore been prescribed. Consideration was given to taking cognizance in the Executive order of the special role of the Central Intelligence Agency with respect to foreign reporting. However, I believe that this may best be accomplished by agreement between the Secretary of State and the Director of the Central Intelligence Agency, and the report accordingly so recommends. I would appreciate receiving an expression of your views with respect to the proposed Executive order not later than February 15.

I am solicitous, as I am sure you are, that all possible measures be taken to strengthen our foreign economic reporting at this critical time. Accordingly, I would like to request that

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you study those additional recommendations pertinent to your agency contained in this report and its appendices and inform me of the extent to which it will be possible for you to adopt the improvements proposed.

Sincerely yours,

/s/ Elmer B. Staats

Assistant Director

Lt. Gen. Walter Bedell Smith
Director, Central Intelligence Agency
Washington 25, D. C.

Enclosures (2)

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